

Proclamation by the Governor of

Executive Office, Austin, June 7th, 1877

Public notice is hereby given that the following
bill passed at the Regular Session of the 25th
Legislature and received in the Executive Office
less than ten days prior to adjournment was
disapproved.

- (1) House bill No. 279 declaring the theft of Cotton
of the value of twenty dollars or over a felony.
Under the present law this in general is not a
felony unless the property stolen is of the value
of fifty dollars or more, and it seems to me this
general rule should remain unchanged. Ten
years ago the value was raised from twenty to
fifty dollars and the new law has operated
beneficially. Persons guilty of theft of Cotton
under the value of fifty dollars can now be
adequately punished for misdemeanor by fine
and imprisonment in jail during which time
the convict can be put to work on County roads.
The bill was probably intended as an additional
protection to cotton growers but such small sum
as would result from the increased penalty
would be more than counterbalanced by the cost
to the State of creating new felonies.
The costs in felony cases now exceed a million
dollars biennially and would be materially
increased by the bill without corresponding
public benefit.

- (2). House bill No. 685 to grant to the Haco
Water Power and Electric Company the right to
construct and maintain a dam over the Bragues
River near the city of Haco, and granting to
said company and its successors the water
power thereby created with other privileges.
This company is not a public corporation organized
for the public good but a private corporation
formed for profit and for gain. For the State or any
county or city to dam a great river is fraught
with serious consequences. It materially affects
riparian property rights which have grown up with
an undisturbed use and flow of the water through-
out the length of the river and confines the
immense water power within local and narrow
limits.
It is far more serious and dangerous if this
extraordinary authority be delegated to private

corporations. It partakes of the spirit of our institutions to believe that when exercised by a state or any municipality regard will largely be had for the public welfare but when exercised by private corporations it will transcend all human experience if the main purpose is not private profit resulting often in intolerable misdeeds. To grant to the company whose charter under federal decision is an irrepealable contract, the water power of the Colorado River created by a dam at Shaco besides the effect upon interests elsewhere along the stream might commit the water and light facilities and the manufacturing interests of that city to the demands of corporate avarice and greed. This is one of those important attributes of sovereignty which in my judgment should not pass from the people.

(3) Substitute House Bill No. 207.

This bill which is a general occupation tax act is an improvement on the present law in the matter of revenue but it must be disapproved because it would authorize the circulation of obscene literature, sanction gambling by book selling and legalize the fire insurance trust operating in the state. The 24th legislature prohibited the circulation in the state of certain obscene publications calculated to corrupt the public morale and previous to the passage of this bill laws were enacted by the 25th legislature enlarging and strengthening this prohibition. yet this bill by levying a tax on dealers in such literature would authorize its sale and dissemination. By levying a tax on "book makers" and the sellers of "mutuals" one of the most general and detrimental forms of gambling would be licensed by the state. It is well known that after the decision of the Supreme Court in the fire insurance trust case in 1893, holding that insurance companies were not within the terms of the anti-trust act of 1890, fire insurance companies openly formed a combination to fix and maintain uniform rates throughout the state. This open conspiracy was dissolved by the amendment to the trust law passed in 1895, and since then the combination has been covertly maintained through the agency of what is termed a rate master, who as the agent

of all fire insurance Companies doing business in the State establishes rates or who by arrangement with the Companies sells rates to them at a stipulated price. Whatever the secret agreement may be the effect is to form a trust by which all the Companies obtain and use the rates fixed by one rate maker and thus are enabled to maintain the unreasonable and uniform rates which now are. The operation of this trust is most hurtful and in some instances its oppressive measures toward worthy and reputable citizens have excited just indignation. Acting in part upon complaints of the people the Attorney General has instituted proceedings to suppress this conspiracy which would be seriously embarrassed if not defeated by this bill though without any such purpose upon the part of the authors. The bill levies an annual occupation tax of five hundred dollars on every fire insurance rate agent or rate maker which it defines as a person or firm who makes or estimates such rates or charges for insurance as is deemed expedient and safe for fire insurance companies to adopt and sell such rates to the Companies for their government or instruction. Rate making and such other acts as go to form a combination to establish and maintain uniform rates are now unlawful under the anti-trust law but the imposition of a tax upon the business would legalize it. As said by the Court of Appeals "it is not to be supposed that the Legislature intended to furnish criminally any of the acts from which its revenue is in part derived.

Chiles v. State, 1 Ct. Appeals, 32.

Harris v. State, 9 Ct. Appeals 305.

(4.) House Bill No. 712 to create a more efficient road system for the counties of Galveston and Matagorda. By the Constitution as originally adopted (Section 9, Article 8) county taxes for road and bridge purposes were limited to fifteen cents on the one hundred dollars. This was amended in 1890 by which "the Legislature may also authorize an additional annual ad valorem tax to be levied and collected for the further maintenance of the public roads provided that a majority of the qualified property tax paying voters of the County, voting at an election to be held for that purpose, shall vote such tax not to exceed fifteen cents on the one

numerous & their valuation of the property subject
to taxation in such County.
Section 4. of the bill under consideration provides
that the Commissioners Court of either County
shall upon presentation to it at a regular
session of a petition signed by two hundred
qualified voters thereof, they being property tax
holders of the County, or a petition signed by fifty
qualified voters living in any one Commissioners
precinct and being property tax payers therein
to order an election to determine whether there
shall be levied upon the property within said
County or within said Commissioners precinct
by said Commissioners Court a road tax not to
exceed fifteen cents on the one hundred dollar
worth of property situated in said County or
within said Commissioners precinct under the
provisions of the Amendment of 1889 to the
Constitution of the State of Texas adopted in
1890, at the said election as hereafter provided.
Subsequent sections of the act provide for
county and precinct elections and the levy of the
tax. It is clear from this statement that while
the Constitution declares that the additional tax
shall not be levied except on a majority vote of the
property tax payers of the whole County the bill
authorizes the levy of the tax upon property in a
Commissioners precinct on a majority vote of the
property tax payers of the precinct and is
therefore in conflict with the Constitution. The
disapproval of this bill will not occasion any
inconvenience to these counties because the
constitutional provision permitting the additional
tax was put into operation by the act approved
April 1st, 1891, which is now article 4786 to 4790
of the Revised Statute, and the tax can be
imposed under this general law if necessary
and desirable.

In Testimony Whereof, I have hereunto
signed my name and caused the seal of
Seal State to be affixed at Austin, this, the
seventh day of June, A.D. 1897.

(Signed.) C. A. Culberson
By the Governor. Governor.
(Signed.) J. H. Madden.
Secretary of State.